

W A S H I N G T O N
H I G H E R
EDUCATION
C O O R D I N A T I N G B O A R D

December 2003

2005-2007 Operating Budget Guidelines

Purpose of the Operating and Capital Budget Guidelines

State statute (RCW 28B.80. 330(4)) requires the Higher Education Coordinating Board (HECB) to “review, evaluate and make recommendations” on the operating and capital budget requests of the public colleges and universities. The HECB is also required to adopt and distribute budget guidelines in December of each odd-numbered year.

The Board’s budget recommendations are to be based on the following:

- The role and mission statements of the public institutions;
- The state’s higher education goals, objectives, and priorities as identified in the comprehensive master plan; and
- Guidelines that describe the Board’s fiscal priorities.

Integrating the 2005-2007 Operating Budget Priorities and Guidelines with the Strategic Master Plan

The operating budget guidelines complement the long-term goals and strategies identified in the interim Strategic Master Plan to be adopted by the HECB in December 2003. The final Strategic Master Plan is to be adopted by the HECB in June 2004 after legislative review. The interim and final Strategic Master Plans will identify a vision for higher education in Washington State as well as goals to support this vision and strategies to meet the goals.

The operating budget guidelines are for the institutions to propose budget items that support policies that begin implementing in the 2005-2007 biennium the strategies identified in the interim Strategic Master Plan. These budget items are to be tied to performance indicators, as identified in the interim Strategic Master Plan, so that the outcomes of the budget items can be measured.

Forms and Formats

The HECB will continue to use the basic forms and formats for budget requests the Office of Financial Management (OFM) has prescribed. These forms and formats may change as the Governor's Priorities of Government budget discussion approach is implemented in the 2005-2007 biennium. Regardless of the budget presentation format selected by OFM, the HECB continues to recognize the critical importance of adequately funded carry-forward or maintenance budgets for institutions. It is clear that adequate maintenance budgets are essential to the ongoing vitality and quality of Washington's public colleges and universities.

By using the budget presentations defined by OFM, the HECB avoids any duplication of effort by the public institutions. In the past, this approach has allowed the HECB to focus on those items and issues that are most relevant to the Board's fiscal priorities. Depending on the contents of the Strategic Master Plan, the HECB may have specific questions to address to the institutions regarding selected budget-related items within the plan. .

HECB recommendations are designed to complement the information and requests from the institutions by providing an additional system-wide perspective on the needs of public higher education. As such, HECB review and recommendations will provide additional information that is useful to the Governor and Legislature in budget deliberations.

Timing of Budget Development Activities

HECB's review of institutional budget requests is based on submissions formally presented by the institutions in September of each even-numbered year. Over the next few months, HECB staff will meet and discuss these budget requests with institutions and the requests will be presented and discussed at a Board meeting. Final HECB operating budget recommendations will then be developed based on these discussions and the final elements of the Strategic Master Plan.